

NEWS RELEASE

FOR IMMEDIATE RELEASE
NOVEMBER 18, 2002

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DeNUCCI SAYS LAX CONTROLS LED TO THEFT OF \$32,229 AT FITCHBURG STATE

State Auditor Joe DeNucci reported today that poor fiscal controls at Fitchburg State College enabled a bookkeeper to steal a total of \$32,229 from the school during an 18-month period from December 1, 1999 to May 31, 2001. The former bookkeeper pleaded guilty to the theft last Thursday.

The audit was undertaken after the college reported the theft to DeNucci's office as required by the state's Internal Controls Law. According to the audit, although Fitchburg State had an internal control plan in place, the college failed to segregate duties involving the handling of cash receipts in its Department of Graduate and Continuing Education.

As a result, the bookkeeper, who worked as a cashier on 129 occasions in addition to her other duties, failed to report, record and deposit cash that was collected from students who were registering for classes. The bookkeeper would then attempt to disguise the cash thefts by removing registration checks that had been remitted in the mail and increasing the check amounts to cover the missing money.

DeNucci said the college's failure to divide duties among several employees enabled the bookkeeper to circumvent the internal controls for a prolonged period. Segregation of duties is a key component of any internal control system because it prevents one individual from controlling all aspects of a financial transaction.

DeNucci's office referred the case to Worcester County District Attorney John J. Conte and assisted in his investigation. As a result, the former bookkeeper pleaded guilty, received five years probation, and was ordered to make restitution of \$32,229, and to surrender all monies contributed to her state pension.

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DeNucci commended Fitchburg State College for reporting the theft to his office as required by law and for taking corrective action to improve controls over its cash receipts. DeNucci noted that the college has stopped accepting cash as a form of payment.

“I urge the college to periodically review its internal controls procedures to ensure that the plan is being complied with and is functioning as intended,” concluded DeNucci.